The A. F. of L. Weekly News Service gives a brief resume of important matters affecting labor, occurring in the industrial, legislative and judicial fields, and such other information that will benefit the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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Commonplace people see no difference between men.—Pascal.

WHOLE NO. 1038. WILLIAM GREEN, President WASHINGTON, D. C., SATURDAY, FEBRUARY 28, 1931 FRANK MORRISON, Secretary VOL. 20, NO. 51.

BANKERS FAVOR BREAD BASKET LIVING STANDARDS

Ground work for a general wage reduction movement is attempted by another banker — Rome C. Stephenson, official of the American Bankers' Associations—in an address to the Business Policy Forum of the College of the City of New York.

A similar suggestion was recently made by Albert Wiggin, chairman board of directors of the Chase National Bank, New York City, the largest financial institution on the North American continent.

These statements, if unchallenged, are preliminary to a massed attack on wage scales. It is necessary, before an open move is made, to create a new "atmosphere," as the public have been educated to the value of high purchasing power.

The first essential is to swing the public from an accepted belief that high wages is a lasting prosperity base. This would be accomplished by sending up "kites" on the need for lower wages. These "kites" will be noticed by employers' economists, newspaper editors and other so-called "molders of public opinion."

Banker Wiggin says high wages do not make for prosperity. He revives the ancient economic heresy that low wages decreases costs and increases employment.

Banker Stephenson objects to installment buying that has resulted, he says, "in a tremendous volume of automobiles, washing machines, electric refrigerators and endless other products."

He says installment buying means inflated credit, but he opposes high wages that would make it possible to substitute cash buying. He pleads that he does not favor reducing living standards, but he does not explain how he maintains contrary positions.

Mr. Stephenson says "high wages can be paid only as long as the means is produced to pay them."

This commonplace statement, that non-thinkers class as wisdom, ignores the nation-wide industrial machine that is rusting because people can not buy mass-production output.

In Mr. Stephenson's home city—South Bend, Indiana—a magnificent automobile plant is idle. Why? His remedy is to reduce wages, to lower purchasing power, that would affect every citizen in his community.

The same theory applies to every other activity and every other community. He would enforce purchasing power on those employed, continue a glutted market and expand unemployment.

These bankers, who would revive the bread basket standard of living, learn nothing

They ran the industrial machine into the ditch, brought untold suffering and misery to millions of workless. They are now sending up "kites" to prepare the public mind for a condition that will make matters worse.

FOOD PRICES TOO HIGH SENATE PROBE SHOWS

Washington, Feb. 28.—An increasing difference in prices paid to the producer and those paid by the consumer during the last 10 years was revealed by a Senate committee that has been investigating food costs.

Senator Capper, chairman of the committee, said no satisfactory explanation has been offered.

"There is cause for alarm in the market tendency toward consolidation and combination among those handling foodstuffs," said Mr. Capper. "It is a menace to the country when bread, milk, meat and other foodstuffs are controlled by a few people."

Senators Frazier and Townsend agree with their Kansas colleague that retail prices of foodstuffs are too high.

"The price paid by the consumer is out of all proportion to the price paid to the producer," Senator Frazier declared. "This is proved by the difference in retail prices in different cities, the same products selling for lower prices in some places than in others."

Senator Townsend said further the fact that the price of bread was lowered in Washington following the committee inquiry would indicate that a spread is too wide.

Wagner Labor Agency Bill Passed; House Rejected Substitute, 182-84

New York, Feb. 28.—The House, by a vote of 182 to 84, declined to accept Secretary of Labor Doak's substitute for the Wagner national employment agencies bill. The House passed the Wagner bill by a viva voce vote.

The Wagner bill, strongly urged by the American Federation of Labor, passed the Senate last May. It follows the scheme of other Federal-State legislation by providing a 50-50 division of costs where States set up employment agencies. A Federal Director General shall be placed in charge of this work. President Hoover, on numerous occasions during the last 10 years, declared for a national employment agency system. The Wagner bill is the first time such a plan has been authorized. A. F. of L. officials resisted every attempt to have the Doak substitute accepted.

The National Association of Manufacturers opposed the Wagner bill, but other opposition did not develop until recently.

Congressman Cooper of Ohio said the Wagner bill has been carefully considered "and now within 10 days of the close of the session they come in with a substitute."

The Doak bill merely provided for the creation of a Third Assistant Secretary of Labor who would have charge of the United States Employment Service.

Congressman La Guardia quoted testimony by Mr. Doak before the Judiciary Committee that all his bill would change from present conditions would be to create a political office in his department. "Are you going to fool American labor with anything like this (Doak's bill in the closing days of the session?" asked Mr. La Guardia.

"The Manufacturers' Association," continued the New York Congressman, "thought they had this (Wagner) bill defeated, but when they saw that this House was restive and wanted an opportunity to vote for this bill, they cooked up the substitute."

Congressman Graham of Philadelphia led the fight in the committee and in the House against the Wagner bill. He objected to the unusual parliamentary procedure of proposing an amendment to that measure by offering the Doak bill. This was rejected, 84 for Doak amendment and 182 against.

HIGH POLICE OFFICIALS FAIL TO SMASH TEXTILE WALKOUT

Philadelphia, Feb. 28.—A general strike swept through non-union carpet and other textile mills in this city. More than 3,500 employes walked out of half a hundred plants because of poor work conditions.

Police officials immediately assumed the role of strikebreakers and ordered the arrest of pickets. Officials of the American Federation of Full Fashioned Hosiery Workers and other trade unionists were called to police headquarters and were impeviously asked: "Who ordered this strike?"

The police officials said they were issuing orders to clear the streets to prevent gatherings and picketing of any kind; that the streets of Kensington (a mill suburb) "would be kept clean as a carpet."

The unionists refused to be intimidated. They declared that these orders would prevent workers from striking for any cause, no matter how just.

"That is what is meant; call it what you like," was the reply.

The unionists later called on Major Schofield, director of public safety, and demanded that the illegal arrests cease. The major was uneasy and appeared unwilling to admit that former statements were made.

The terrorism of police heads was checked by Magistrate Costello, who released 102 pickets. They were charged with "disorderly conduct." The court's action is considered a repudiation of Schofield's anti-picketing order. The strikers formed the largest body of defendants ever brought before a local court. When they were assembled at a police station the police turned on the radio and the strikers sang popular songs and the National Anthem. The police themselves and Governor Pinchot were cheered. There were boos and hisses when Schofield's name was mentioned.

Magistrate Costello, in releasing the pickets, told them to "obey the orders of your union officials, respect the police, keep within the law and there will be no arrests."

The unionists declare that Schofield has political aspirations and he believes that strikebreaking will appeal to low-wage elements in this city.

EMPLOYMENT HAS UPWARD TREND; SLIGHT INCREASE IS SIGNIFICANT

Washington, Feb. 28.—For the first time since the A. F. of L. has been collecting employment figures, reports from unions indicate improvement in February. The first half of the month shows eight-tenths of one per cent, or eight in every 1,000, returned to work.

These are preliminary figures, and cover 2,250 unions with 803,000 members. Additional reports before the first of March will probably not appreciably change these figures.

"While the February report of eight-tenths of one per cent is a very slight gain," the report states, "it is significant because in every other year since 1926, our February reports show more out of work than January. Last year 1.5 per cent of the membership were out of work from January to February.

"Building unemployment increased less from January to February this year than in any other recorded year (we began records in 1928). Usually, at least 2 per cent of the membership are thrown out of work from January to February, and last year 4 per cent were laid off. This year only three-tenths of one per cent lost their jobs from January to February. But unemployment was at a very high level in January, and although there has been hardly any increase, 52 per cent of the building trades members are still out of work.

"In all other trade groups, except the industries and printing, the month brought less increase in unemployment than the same month last year. There has been substantial improvement in clothing trades and conditions are better among teamsters and chauffeurs. Members on railroads and in manufacturing also report slight gains.

"The upturn in our February figures is particularly encouraging because it is one of the first indications that unemployment has probably reached its worst. It seems likely that we may expect improvement from now on, unless unforeseen circumstances interfere. Improvement will probably be gradual.

"Improvement for unorganized workers may not immediately appear as earlier reports have shown that conditions for the unorganized are in many respects worse than for union members."

AMERICAN FARMERS FORCED TO LOW LEVEL

New York, Feb. 28.—"World supremacy of American agriculture is passing, and agriculture is rapidly yielding its place as the major industry of the United States," says Standard Trade and Securities, in a copyright article on the future of farming. The world, and especially Soviet Russia, according to this review, is being equipped for large scale agricultural production. This and other factors make it inevitable that world agriculture "must rule at permanently lower values than formerly."

The small American farmer, it is stated, can not compete with up-to-date management and farm machinery to produce wheat growing costs to 30 cents a bushel.

"From 1910 to date, the proportion of rural inhabitants declined from 71.4 per cent to 43.8 per cent; in the last 20 years the farming population receded from 34.9 per cent of the nation's total to 22.2 per cent," it is stated. "In the latter period, the estimated increase in agricultural output come to that emanating from all sources was halved, falling from 20.4 per cent to 10.2 per cent. Between the period comprising 1910-1914 and 1930, the volume of all agricultural products has increased 37 per cent. The farmer is also finding increasing difficulties in obtaining loans secured on farm property from private commercial institutions.

"The condition of agriculture, in our opinion, is less of an influencing factor on general trade tendencies than formerly. American agriculture will never fully regain its former dominant position relative to industry as a whole, or to world agriculture."

ASKS DICTATORSHIP FOR OIL INDUSTRY

New York, Feb. 28.—A dictatorship for the industry was proposed by Dr. Leonard Logan of the University of Oklahoma in an address to the American Institute of Mining and Metallurgical Engineers.

Dr. Logan would have a triumvirate, one to be appointed by the large oil companies, one by the independents and one by the President.

These men, with the consent "of the entire industry," would be authorized to dictate when, where and how much oil should be produced.

"Under such a control institution of property rights is changed to meet conditions, and changed soon," asserted Dr. Logan, "the industry might as well make up its mind to surrender to government control."

WANT AID FROM CONGRESS

Oklahoma City, Feb. 28.—The governor signed a memorial to Congress urging Federal relief to destitute Oklahoma citizens. Congress was also asked to require the Federal Farm Board to distribute the millions bushels of wheat to starving people.

The governor signed a bill appropriating $300,000 to furnish free seed to potato growers, and clothing, fuel, food and shelter to the destitute.

BUREAUCRACY'S COST TOO HIGH; CONTROL BY "INSIDERS" RESULT

By DIXWELL L. PIERCE,
Secretary Board of Equalization, State of California

In certain quarters it is considered smart to belittle the efficiency of public servants chosen by popular vote. From the eminence of their self-confessed intellectual superiority, these scoffers at democracy look down with ill-concealed scorn upon the fabric of American government.

After six years of intimate contact with both elected and appointed officials occupying positions of varying importance in California's government, I am convinced that this intolerance of the elected person is based upon shallow reasoning.

The tax system in California is producing extremely unsatisfactory results in many respects. Its administration is largely through elected officials. Therefore, say our critics, popular government is at fault. As a corrective, they would place revenue administration in the hands of appointed experts.

With the same inadequate equipment and laws as now handicap county assessors and the State Board of Equalization, it is doubtful whether the change would result in appreciable improvement of administrative efficiency. It is certain, however, that the people would have much less to say concerning how they are to be taxed.

Bureaucracy demands much in the way of appropriations so that it may function efficiently. It heeds scarcely at all the popular will with reference to the manner of its functioning. The typical bureaucrat is convinced that the people are ill informed to know what is good for them.

The price of efficiency in government is under all circumstances much too high. Inevitably, a government so dominated operates for the benefit of the few and the detriment of the many. This is particularly true in tax matters when payments are exacted of citizens for the support of the social structure.

SUPER-POWER REPORT HELPS RADIO TRUST

Washington, Feb. 28.—"The only hope of independent radio stations is in Congress," said Oswald F. Schuette, executive secretary National Protective Association, in commenting upon Examiner Yost's super-power report to the Federal Radio Commission. Mr. Schuette said the report gives the radio trust 29 out of the 36 broadcasting stations authorized to use super-power.

"If the Federal Radio Commission accepts Examiner Yost's report," said Mr. Schuette, "the commission should abdicate in favor of Owen D. Young. The report could not be a more defiant challenge to the Congressional mandate for competition in radio if it were written by officials of the radio trust, which the government has asked the courts to dissolve.

"Luckily for the public, the Yost report is so flagrantly in favor of the trust that there is hope that some of the larger stations that have been turned down will make a fight instead of leaving this battle—as it has been left in the past—to smaller independent stations.

"As far as the regional and broadcasting stations are concerned, they will be swamped by the high power with which Mr. Yost would flood the air—1,475,000 watts for 56 stations —unless the commission calls a halt to this air monopoly. If it does not the only hope of the independent radio stations lies in Congress."

WORKERS REMINDED OF HOTEL LOCKOUT

Washington, Feb. 28.—Organized labor is again reminded of a lockout of Cleveland hotel workers in a letter to all affiliates by Wm. Green, president A. F. of L.

President Green suggests that where workers are threatened with any group which contemplates holding a convention in Cleveland "that you try to prevail upon such group to change to another city or at least not to patronize the hotels in question."

The lockout was enforced last June when the workers refused to sign a "yellow dog." The cooks, waiters and waitresses were joined by engineers, firemen and musicians. The A. F. of L. convention at Boston, last October, condemned the managers' policy. The Green letter, issued under instructions of the A. F. of L. Executive Council, calls the attention of trade unionists to hotel conditions in Cleveland. The victimizing hotels are: Hollenden, Cleveland, Statler, Winton, Olmstead and Allerton.

OLD-AGE PENSION PLAN IS MAKING PROGRESS

Albany, Feb. 28.—More than 20,000 persons in this State are receiving allowances under the old-age security law, according to the State Board of Social Welfare. Of these 11,089 are residents of New York City.

Boise City, Idaho, Feb. 28.—Governor Ross Sisgg signed the old-age pension bill passed by the State legislature.

Cheyenne, Wyo., Feb. 28.—The bill to authorize a half mill levy by Wyoming counties to provide an old-age pension fund is now law.

HOUSING FOR POOR IS NATIONAL NEED

New York, Feb. 28.—A nation-wide housing program for the benefit of low-income groups would relieve unemployment and raise living standards, said former Governor Alfred E. Smith, speaking over the Columbia broadcasting system.

"Thousands of families in large cities live in houses unfit for human habitation," said Mr. Smith.

"When you build a house you set in motion many thousands of wheels in every direction. While we erect skyscrapers, fine hotels and big apartment houses, let us remember the ugly areas where the masses of our population must live."

DEPRESSION HARMFUL TO CHILDREN'S LIFE

Washington, Feb. 28. — Unemployment's disastrous effect upon children was stressed by Miss Grace Abbott, Chief of the Children's Bureau. She referred to studies made by her bureau in the last depression in cities of more than 50,000 population.

"Over four-fifths of the families were in debt for food, rent, fuel, medical attendance and other necessities," she said. "When the father succeeds in secures work, these families have a debt burden to meet.

"In some of these families money for food was secured at the cost of permanent injury to the health of the mother and the unborn child.

"Unemployment, then, because it means a lowered family standard, anxiety and dread, the loss of savings and mortgaging of the future, has a direct and disastrous effect upon the welfare of children."

COMPENSATION LAW HOLDS CONTRACTORS

Trenton, N. J., Feb. 28.—The New Jersey Court of Appeals upheld the 1924 amendment to the State compensation law which provides that contractors placing work with subcontractors shall be liable for compensation due employes of the latter in the event of the subcontractor's failure to carry workmen's compensation insurance.

SLAVERY ENFORCED IN ALASKA; FISHING TRUST EXPLOITS ALIENS

Washington, Feb. 28.—Mexican newspapers protest against slavery enforced on citizens of that country by Alaskan fishing corporations that induce workers to sign away every right in San Francisco and are then taken to the far North, where escape is impossible.

The contract calls for a 12 and 14-hour day and seven days a week. Refusal to work means a fine of $10, deducted from wages.

Other features of this slave contract are:

"I agree that in case I shall leave without permission and seek employment elsewhere, to be returned to said cannery and forfeit $50.

"I agree to take such food as is supplied by a Chinese cook, and not to cause any trouble at the table, or throw any of the cooked food away, and should I break this rule, I agree to forfeit $5 for each offense.

"I agree not to go on strike during the canning season, and if the canning company, through me, has had any damage done them, and holds the labor contracting company responsible, I agree to forfeit all of my wages to said contracting company."

Mexicans, Filipinos, Japanese and Chinese are employed in the canneries. The United States government, in 1917, investigated labor conditions in Alaskan canneries, as a result of protests by the Mexican government. Officials reported that, "generally speaking, workmen receive reasonably fair treatment."

WORKERS' CLINICS MARKED BY ABUSES

New York, Feb. 28.—The medical treatment of workers injured in accidents has been turned into a business, declared Howard S. Cullman, president of the hospital and a commissioner of the Port of New York Authority.

Mr. Cullman, in an address to a medical society, said patients treated at compensation clinics run by insurance companies are hastened to their jobs before ready for work.

"The weakness of existing laws," he said, "is due to the fact that corporations find gain in employing workmen's compensation insurance and many of these are more interested in showing a profit than in honestly showing the benefits of proper treatment. Under this commercialization, as practiced by some companies, the best professional treatment is not encouraged.

"Eighteen per cent of injury cases in this State are handled by the State Insurance Fund. The remainder are handled by insurance companies in business for profit. In other words, it is to the interest of insurance companies to keep down the cost of handling compensation cases to the lowest possible level. As a result they have devised many methods, one of which is compensation clinics."

FARMERS ARE ADVISED TO PLANT LESS WHEAT

Washington, Feb. 28.—Wheat growers were warned by Samuel R. McKelvie of the Federal Farm Board that they must cut production 25 per cent or government stabilization operations can not continue.

The Federal Farm Board is convinced that American farmers can not afford to grow wheat for export, McKelvie added. Russian exports, he said, may be greatly expanded next year and have "a seriously depressing effect on prices."

COMPENSATION URGED

Oklahoma City, Feb. 28.—Governor Murray has asked the State legislature to create a State workmen's compensation fund, suggesting that $150,000 be appropriated to set up the fund.

MACHINISTS APPROVE WORKLESS PAY PLAN

Washington, Feb. 28.—The International Association of Machinists in the State of Pennsylvania lodges to the Hoopes unemployment insurance bill, pending in the House of Representatives of that State.

General Vice President Conlon, in a letter to these members, says the bill "is in line with the policy adopted by the International Association of Machinists at their Atlanta convention held in September, 1928."

The bill provides that the State shall administer unemployment insurance by means of an unemployment indemnity board. The State, under the bill, will appropriate eighty million dollars ($80,000,000) to this fund for the initial term beginning June 1, 1931.

Employers shall contribute an equal amount by a uniform percentage of their payrolls, to be fixed by the State board. Unemployed shall receive, after the first week, 50 per cent of their weekly wages and 10 per cent additional for a wife, 5 per cent for one child and 10 per cent for two or more children under 16 years who are dependent upon him. Indemnity shall not exceed $25 a week, nor be less than $12 a week.

The unemployed are protected from being called upon to do work where a strike exists or to perform work for which he is not fitted or work located at an unreasonable distance from his home or at wages lower than rates prevailing for similar work in the place of employment.

ECONOMIC DEPRESSION BRINGS NEW OUTLOOK

New York, Feb. 28.—The economic depression in the country has resulted in new popular outlooks, declared Prof. Halvdan Koht, Swedish educator, on departing for his home after a several months' stay in the United States. He lectured in several universities.

"I felt a strong optimism when I was here before," said Prof. Koht. "Your present depression has had a strong psychological effect that seems to have gone deeply into the souls of the people. They talk as though unemployment has come to stay and that this depression calls for a new social order, although no definite program has been found to bring about a renaissance."

Prof. Koht said he observed a more strict caste system here. He noted, however, that "university intellectuals" in the United States are sympathetic with the labor movement. The contrary is true in Europe, he said."

OPPOSE WOMEN ON JURIES

New York, Feb. 28.—The legislative committee of the New York County Lawyers' Association opposes a pending bill in the State legislature which would permit women serving on juries.

"The presence of women on juries will not improve the administration of justice in this State," assert the lawyers.

RELIEF NEED IS URGENT SAYS WELFARE WORKER

New York, Feb. 28.—This city will face a serious problem April 1 when the $8,000,000 fund, contributed by citizens to aid unemployed, is exhausted, said William Hodson, executive director of the Welfare Council, in an address to welfare workers.

The $8,000,000 is being used to pay heads of needy families $5 a day for work in the parks three days a week.

"On April 1 we will be faced with the problem what to do next," said Mr. Hodson. "If business revives in the next few months many thousands will still require assistance. It takes time for such families to recover from such a depression."

Another group of welfare workers discussed the same question from the standpoint of the automatic machine.

"We cannot continue to permit the machineries of production to pile up wealth for the few and leave the many unemployed," said Paul U. Kellogg, editor the Survey.

"We have unemployed than were in Pershing's army," he said. "Any invasion of America which would put out the fires of our cities and jeopardize the livelihood of the heads of millions, of American homes would be regarded as one of the greatest assaults on our national security in history. Yet that is what the business depression and resulting mass unemployment have done."

FITZGERALD DIES; LED TEXTILE FOES

Danville, Va., Feb. 28.—H. R. Fitzgerald, president Riverside and Dan River Mills, who resisted textile workers in their recent strike, died suddenly in this city as the result of a heart attack.

The strike resulted in the demolishment of Fitzgerald's company "union" and the abandonment of all welfare plans.

WANT WHEAT DISTRIBUTED

Salem, Ore., Feb. 28.—The State Legislature asked Congress to authorize the Federal Farm Board to buy stored wheat ground into flour and distributed gratuitously to drought victims. The bill would put out the fires of our cities and jeopardize the livelihood of the heads of millions, of American homes would be regarded as one of the greatest assaults on our national security in history. Yet that is what the business depression and resulting mass unemployment have done."

BOSS CAN'T BREAK UNION AGREEMENT

New York, Feb. 28.—Supreme Court Justice Levy ruled that a dress manufacturer can not evade his obligation to employ union workers by withdrawing from an employers' association that signed an agreement with the International Ladies' Garment Workers' Union.

The court issued a temporary injunction against Lady Rejane, Inc., a corporation that resigned from the Affiliated Dress Manufacturers' Association and then replaced organized workers with non-unionists.

Justice Levy restrained the corporation from violating its contract, from continuing the lockout and from directly or indirectly sending goods to be manufactured into garments to any person or firm that does not conduct a union shop.

The decision also permits the defendant company from manufacturing or producing garments at any establishment that employs organized union workers, whether such shop is operated by defendant or any other person or firm.

"The injunction is a just answer to any employer who seeks to evade contractual obligations," said David Dubinsky, secretary-treasurer of the international union.

ADVANCE PLANNING IN UTAH IS PROPOSED

Salt Lake City, Feb. 28.—A legislative committee recommends to the Utah legislature that advance public construction planning along lines of Senator Wagner's proposal be applied in this State. The Wagner bill was recently passed by Congress.

The committee is "very much opposed to the dole we to any permanent system of giving without services rendered."

The State Industrial Commission, the report states, should be charged with the responsibility of collecting unemployment statistics and having such information available at all times.

WORKLESS INSURANCE STUDY FAVORED IN N. Y.

Albany, N. Y., Feb. 28.—An investigation of unemployment insurance should be made before legislation is attempted, said John M. O'Hanlon, secretary to Frank Winston, of Labor, at a hearing on the Hastings unemployment insurance bill.

The National Association of Manufacturers is in favor of switching this insurance to private companies before the question gets beyond their control. Before any compulsory system is adopted, said representatives of the manufacturers, "there should be a great deal of experimentation by industry of various plans."

TO REGULATE AGENCIES

Indianapolis, Feb. 28.—Representative Watson proposes that the State Legislature limit fees charged by employment agencies to 15 per cent of the first month's earnings of a worker after he secured employment.

HOLDING COMPANIES CONTROL NATION'S RAILROAD SYSTEMS

Washington, Feb. 28.—A popular belief that the nation's railroad control railroads is dispelled in a report presented to the House of Representatives by Representative Esch, chairman House Interstate Commerce Committee.

The report, prepared by experts, reveals that 15 major groups control 210,000 miles, or nearly 81 per cent, of the nation's railroad mileage.

Holding companies, organized by bankers and financiers, secure sufficient stock of railroads to control that corporation. These holding companies are a comparatively new feature of finance and have not been brought under government control. In referring to the disappearance of railroad control by individuals, the report says:

"The Baker family holds only about 10 per cent of Lackawanna stock. Arthur James Curtis appears to dominate Western Pacific and the Vanderbilts control 17 per cent of Pittsburgh and Lake Erie. Other family holdings are surprisingly small. The public, for years, has thought of the New York Central as the Vanderbilt property, but the Vanderbilts hold less than 5 per cent of the voting stock of the corporation."

The report discusses ramifications of the Van Sweringen-controlled holding companies, the Pennroad Corporation, a holding company affiliated to the Pennsylvania Railroad. These two groups make the greatest use of the holding company as an agency through which rail deals are consummated, thus bringing these systems under a central, irresponsible head.

These holding companies are interlocked with subsidiary units. The report recommends that the Interstate Commerce Commission be given jurisdiction over this latest financial system.